

ASSEMBLY BILL

No. 1780

Introduced by Assembly Member Donnelly

February 18, 2014

An act relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

AB 1780, as introduced, Donnelly. Income taxes: credit: motion pictures.

The Personal Income Tax Law and the Corporation Tax Law allow various credits against the taxes imposed by those laws, including a credit against those taxes for taxable years beginning on or after January 1, 2011, in an amount equal to a specified percentage of the qualified expenditures, as defined, attributable to the production of a qualified motion picture in California.

This bill would state the intent of the Legislature to enact legislation to allow a transferable tax credit for specified motion pictures in an amount equal to 20% of production and postproduction expenditures, as provided.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. It is the intent of the Legislature to enact
- 2 legislation to provide a credit against the taxes imposed under the
- 3 Personal Income Tax Law and the Corporation Tax Law for motion
- 4 pictures that would accomplish all of the following:

- 1 (a) Provide for a transferable tax credit in an amount equal to
2 20 percent of the qualified production and postproduction
3 expenditures for the motion picture paid or incurred within
4 California, provided the motion picture is not subject to specified
5 recordkeeping requirements under federal law.
- 6 (b) Provide for an additional 10 percent credit amount if a
7 production company of a motion picture eligible for the tax credit
8 includes an imbedded California promotional logo in the feature
9 film, television series, music video, or video game project.
- 10 (c) Include in the calculation of the qualified expenditures the
11 number and wages of in-state and out-of-state residents working
12 in California, including any employee fringe benefits.
- 13 (d) Allow the credit without including a repeal date.
- 14 (e) Allow the taxpayer to group multiple qualified motion
15 pictures, specifically commercials and music videos, in order to
16 reach the minimum qualified expenditure amount.